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## THE NEW CONSUMER LAW IN CHINA: IMPROVEMENTS AND ENFORCEMENT

Dan Wei1\*

#### **ABSTRACT**

The Law on the Protection of Rights and Interests of Consumers in the People's Republic of China was revised for the first time after 20 years of existence, having the new Consumer Law entered into force on 15 March 2014. As the largest developing country in the world, China has experienced a galloping economic development over the past decades, accompanied by major changes within the form, structure and mentality of consumption. Nevertheless, China's economic development model has also evidenced a market disorder, which has been historically experienced by many of the transitioning countries. The paper analyses the scenario that has made it imperative to undertake a review of China's Consumer Law, identifies the main improvements and makes a report on the implementation of the new law. Along with the administrative enforcement, the courts also play an extremely important role in the defence of consumer rights. On July 1 2015, the Shanghai Consumer Council brought a collective action to the 1st Section of the Intermediate People's Court of Shanghai based on Art. 47 of the new Consumer Law. The new Consumer Law of China has given new rights to consumers and new responsibilities to operators. Although in general it may be said that the new law has obtained positive results for more than a year, the truth is that it still has new challenges ahead. In my view, the latest review of the Consumer Law does not cease to hold shortcomings and room for improvement.

### CONTEXT OF THE CONSUMER LAW REVIEW

The Law on the Protection of Rights and Interests of Consumers in the People's Republic of China, promulgated in 1993, the same year in which the Constitution of the PRC was amended and when it was explicitly determined, for the first time that "[T]he State practices a socialist market economy," aimed at the gradual reduction of government intervention in the market. Therefore, the Law on the Protection of Rights and Interests

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of Consumers, while being law regulating economic activity, assumed the mission to protect legitimate rights and interests of consumers, to maintain the socio-economic order and to promote the healthy development of the socialist market economy. The Law was revised for the first time after 20 years of existence, by "Decision of the Standing Committee of the National People's Congress on the Review of the Law on the Protection of the Rights and Interests of Consumers" of 25 October 2013, having the new Consumer Law entered into force on 15 March 2014.

As the largest developing country in the world, China has experienced a galloping economic development over the past decades, accompanied by major changes within the form, structure and mentality of consumption. Nevertheless, China's economic development model has also evidenced a market disorder, which has been historically experienced by many of the transitioning countries. <sup>2</sup> According to economist Hu Angang, the main factor that gives cause to the economic chaos is called the "information gap," translated in incompleteness, asymmetry, lack of clarity and transparency of information,<sup>3</sup> resulting in an emergence of a "crisis of confidence" and a "lack of confidence" in various sectors of life (including of course in the context of consumer relations).<sup>4</sup> At the same time, the market of Mainland China has been flooded by large quantities of counterfeit and low quality goods and there have been serious food safety issues. On the other hand, with the development of data processing, the use of the internet for broadcasting and telecommunications for the sale of goods or the provision of services became increasingly common, with a whole new range of consumption conflicts resulting therefrom. In a context of full access to financial markets, the consumer generally barely aware of risk prevention, began to be subject to continued damage to his legitimate

<sup>2</sup> Liu Yan and Zhang Longlin e Fu Chunguang, *The Institutional Problems of Transition Countries and Strategic Choice of China*, 10 JOURNAL OF CENTRAL UNIVERSITY OF FINANCE & ECONOMICS (2012).

<sup>3</sup> Xie Qingkui (coord.), WTO AND GOVERNMENT RESPONSE 149 (2003).

<sup>4</sup> Wang Gang, The Crisis of Confidence and the Regulation of Market Order in Transition Economies, 1 Russian, East European, and Central Asian Studies (2007)

rights and interests. It was in this scenario that it has become imperative to undertake a review of China's Consumer Law.

## THE RIGHTS AND RESPONSIBILITIES ARISING FROM THE NEW CONSUMER LAW

The Consumer Law originally had a total of 55 articles, structured in 7 chapters, referring to the General Provisions, Consumer Rights, Duties of Business Operators, State Protection of Consumers' Rights and Legitimate Interests, Consumers' Organizations, Dispute Resolution, the Legal Responsibility and Supplementary Provisions. The new Consumer Law came to integrate a total of 63 articles, by introducing changes essentially at 5 levels:

*First*, there shall be an explanation, clarification and thickening of consumer rights, eliminating the legal vacuum in the area of financial consumption by the express affirmation of the possibility of defending the rights and legitimate interests of consumers in the financial sector in accordance with the law.<sup>5</sup> Also for the first time, the law came expressly to enshrine the protection of personal data as an important right and interest of the consumer, ruling on the respective civil and administrative liability of offenders.<sup>6</sup> On the other hand, the law has provided a cooling-off period for the consumer, allowing, in the absence of a State provision or agreement to the contrary, that the product can be returned within 7 days counting from the consumers' reception.<sup>7</sup>

*Second*, the responsibilities and obligations of business operators are reinforced. The law came to solve the issue of difficult gathering of evidence by the consumer in his defence, with the reversal of the burden of proof to the operator in disputes arising from the discovery of defects

<sup>5</sup> Art. 28 of the Law on the Protection of Rights and Interests of Consumers of the People's Republic of China, approved on the 4<sup>th</sup> Session of the Permanent Commission of the 8<sup>th</sup> People's National Congress on 31 October 1993 and altered by the 5<sup>th</sup> Session of the Permanent Commission of the 12<sup>th</sup> People's National Congress on 25 October 2013.

<sup>6</sup> The Law, *supra* note 4, at Arts. 14, 29, 50 and 56.

<sup>7</sup> The Law, *supra* note 4, at Art. 24.

in durable goods or decorating services or property repair within 6 months from the date of acceptance by the consumer. On the other hand, the recall scheme was extended to defective products, which initially covered only the automotive<sup>8</sup> scope to any product or service, to protect personal and property security of the consumer.<sup>9</sup> Another aspect, which differs from the majority of the compensatory mechanisms provided for in civil law, is the introduction of a penalty compensation scheme. The Consumer Law came to aggravate the penalties applicable to operators when providing counterfeit products or services, from the old "plain return and compensation of such" to the limit "plain return and treble compensation," that is, an operator must increase the amount of compensation according to customer requirements, which should be at least 500 yuan and a maximum of 3 times the price of the product or service purchased by the consumer.<sup>10</sup>

Third, in line with the trend of development of e-commerce and the digital economy, the new Consumer Law came to regulate new forms of consumption, including cyber consumption, also strengthening the protection of rights of free choice, information and fair negotiation. In particular, it establishes that the consumer is entitled to return the product without justified reason, within 7 days of his receipt whenever there is use of the Internet, broadcast, telecommunications or mail by the operator for the sale of his products. To enhance the effectiveness of the law, policy makers did not fail to list the situations that discourage the return of products and to state a requirement, that the product to be returned must be in good condition and the respective expenses are to be borne by the consumer. On the other hand, operators of cyber platforms must also assume limited legal responsibility, anticipating the payment of compensation due to the consumer whenever it cannot provide the actual name, domicile and effective ways to contact the seller or service provider. In the event that

<sup>8</sup> Regulation for the Administration on the Recall of Defective Automotives of 1 January 2013.

<sup>9</sup> The Law, *supra* note 4, at Arts. 19, 33 and 56.

<sup>10</sup> The Law, *supra* note 4, at Art. 55.

<sup>11</sup> The Law, *supra* note 4, at Art. 25.

the seller or service provider is or should be aware of the injury of rights or legitimate interests of the consumer by the use of the cyber platform, the respective platform operator must respond jointly if he did not adopt the necessary measures.<sup>12</sup>

Fourth, the new law has come to strengthen the supervisory powers and administrative responsibilities of the state and administrative bodies. When the old law empowered the industrial and commercial administration services to impose fines to business operators 2-5 times the amount illegally obtained, the new law raises the penalty intensity and the illegality of the operators' costs, allowing the fine to be 10 times the amount illicitly obtained. Similarly, the upper limit of the fine in the absence of product illicitly obtained was raised from 10,000 RMB under the old law to 500,000 RMB under the new law. On the other hand, to increase transparency in law enforcement, increase participation and public scrutiny and, also, to create an environment where agents can interact in good faith, the sanctioning bodies should, under the new law, record and publish all unfair acts in the individual history of each business operator.<sup>13</sup>

Fifth, it expressly enshrines the status and nature of consumer associations and extends their powers. Consumer groups differ from the majority of civil society groups because they are semi-official organizations set up on the initiative of governments, led by the Industrial and Commercial Management Services of the corresponding level and financed by the respective government. The old law assigned them the nature of "social community," and the doctrine also agrees that these associations were "social government communities." However, the new law came to replace the term for "social organization" following and in line with the new definition of "social community" given by Art. 2 of the Regulations

<sup>12</sup> The Law, *supra* note 4, at Art. 44.

<sup>13</sup> The Law, supra note 4, at Art. 56.

<sup>14</sup> Liang Huixing, The Policy and Consumer Legislation in China, 5 Law Science 21 (2000). For the analysis of the doctrinal concept of social collectivities in China, see, Yu Keping, The Civil Collectivities in China: Concept, Classification and Institutional, 1 Social Sciences in China 109-122 (2006).

for the Administration of Registration of Social Collectivities, promulgated by the State Council in 1998, according to which social communities refer only to "non-profit social organizations formed voluntarily by Chinese citizens to achieve the common goals of members in accordance with the respective regulations." The new Consumer Law had especially in view to clarify the "duties of public interest" of consumer associations by giving them, in particular, the legitimacy for bringing collective actions. When facing the injury of rights or legitimate interests of a plurality of consumers, they have standing to bring an action before the people's courts, the China Consumers' Association and consumer associations established by the provinces, autonomous regions and municipalities directly dependent on the Central Government.<sup>15</sup> It is clearly a demonstration of manifestation in the area of consumption, when we talk about the system of "collective action" introduced with the reform of China's Civil Procedure Law of 2012, specified to the field of consumer relations. On the other hand, the new Consumer Law also provides that consumer groups can participate in the law-making process, regulations and normative standards relating to the rights and interests of consumers, thus broadening the scope of action of consumers in the legislative process. In support of the defence of consumer rights, the associations now also have the power to hire qualified experts to conduct expertise.16

As is easy to see, the review of the Consumer Law was guided by the legislative design of consumer rights protection as the weaker party in consumer relations. Whereas consumer protection is a joint responsibility of the State and society in general and as it is an important civil right, the Consumer Law has clear characteristics of a social law, whose legal system is to ensure the safety, loyalty and justice in consumer relations.

<sup>15</sup> The Law, *supra* note 4, at Art. 47.

<sup>16</sup> The Law, *supra* note 4, at Art. 37.

#### STATISTICS OF CONSUMER COMPLAINTS

About one year after the entry into force of the new Consumer Law on the 15 March 2014, the statistics published by the China Consumer Association<sup>17</sup> shows us that in the period between 2014 and the 3rd quarter of 2015. China's consumer associations received a total of 1,057,965 consumer complaints, having settled 908,987 of them, at a rate of 85.92%, recovering economic damage to consumers amounting to RMB 1.9263 billion. During the same period, 12,786 complaints were received asking for damages for fraud of business operators, 1917 of which obtained the support of associations for the bringing of action. The main reasons for complaints lead back to the product quality, after-sales service and contractual issues, occupying respectively 45%, 20% and 13% of total complaints, the remainder being for the price, misleading advertising, the counterfeiting and measuring and counting, with 0.3% of cases relating to the human dignity user. According to a classification based on the type of product, in 2014 the complaints essentially related, in descending order, on appliances, clothing, items of daily use, transport instruments and food products. Already in 2015, the building materials have replaced food products, occupying the 5th place in this ranking. As for services, for much of the period between 2014 and 2015 complaints have focused on daily social services, cyber services, sales, telecommunications and the courier.

According to the data released by the China Consumers' Association in the first press conference, which occurred after the first year of the new Consumer Law, China's consumer associations have been facing four major obstacles in implementing the law: 18 1) The protection of consumers' personal data continues to face difficulties in terms of prevention, the standard of proof and the level of compensation; 2) The conflict mediation

<sup>17</sup> Calculated by the China Consumers' Association, based on the analysis of the cases received by the association of consumers of China in the 1st semester of 2014 and the 3rd trimester of 2015, available at <a href="http://www.cca.org.cn/zxsd/detail/24840.html">http://www.cca.org.cn/zxsd/detail/24840.html</a>, http://www.cca.org.cn/tsdh/detail/25622. <a href="http://www.cca.org.cn/tsdh/detail/25622.html">http://www.cca.org.cn/tsdh/detail/25622.html</a>.

<sup>18</sup> *Available at* http://news.sohu.com/20150312/n409703563.shtml.

by the associations has been hampered with the mechanism of punitive damages; 3) The fact that a considerable number of cyber platforms have broadened the interpretation of the "return without cause within seven days" to prevent the exercise of consumer rights; 4) There continue to occur obstacles in the execution of the rights to information, security, free choice and fair dealing of the financial consumer.

### THE ADMINISTRATIVE AND JUDICIAL ENFORCEMENT OF CONSUMER LAW

Alongside the new Consumer Law which acts as the basic law for consumer protection, it still has as its disposal other laws, administrative regulations and ministerial regulations closely related to consumer interests, such as the Law on Quality of Products, the Law on Prices, the Law on Measurement and Counting, the Law against Unfair Competition, the Advertising Law, the Law of Trademarks and the Food Safety Law, as well as local regulations and administrative regulations consumer protection emanating from 31 provinces and cities in mainland China, adding to a total of about 200 legal documents on consumer rights applicable throughout the country, according to data from the China Consumers' Association. <sup>19</sup> As regards financial consumption, prepayment and personal data already existed in ministerial regulations before the entry into force of the new Consumer Law. <sup>20</sup>

A special fact that deserves being mentioned is that the General Directorate of Commercial and Industrial State Administration Services, as the lead agency for implementing the new Consumer Law, published

<sup>19</sup> Available at http://www.cca.org.cn/wqfg/list/25.html.

<sup>20</sup> As the Administrative Measures on Payment Services Provided by Non-Financial Institutions, issued by the People's Bank of China on 14 June 2010, to take effect from 1 September 2010; Administrative measures (Experimental) on Commercial Cards Prepaid Purpose Single, issued by the Ministry of Commerce on 21 September 2012, to take effect from 1 November 2012; Administrative Measures on the relative activity to Prepaid Cards of Payment Institutions, issued by the People's Bank of China on 27 September 2012, to take effect from 1 November 2012; and the Personal Data Protection Standards for Users of Telecommunication and Internet services, issued by the Ministry of Industry and Data Processing on 16 July 2013, to take effect from 1 September 2013.

in early 2015 a set of illustrative paradigmatic cases of injuries to rights and interests of consumers, all related in some way with cybernetic transactions.<sup>21</sup> focusing in particular on false advertising, fictitious transactions and sale of counterfeit goods. The recent years, marked by the exponential development of e-commerce in China, the amount of the cyber sales has seen an increase of over 40% per year, reaching the amount of 280 million yuan in 2014, albeit with a fee of product authenticity of only 58.7% and an annual increase of 356.6%<sup>22</sup> complaints. In view of the content and characteristics of consumer complaints, the General Directorate has continuously evaluated the problems encountered in law enforcement and, based on existing laws and regulations, has produced timely new legal instruments, such as administrative measures on cybernetic transactions, <sup>23</sup> measures on inspection by sampling the quality of products in circulation,<sup>24</sup> measures for the treatment of consumer complaints by the Commercial and Industrial Management Services, 25 interim provisions on the publication of information related to the administrative sanctions applied by the Industrial and Commercial Administration Services<sup>26</sup> and sanctioning measures for acts harmful to consumer rights and interests (hereinafter sanctioning measures).27

In particular, the sanctioning measures (with 22 items) came to increase the effectiveness of the new Consumer Law through a full densification of the duties of business operators enshrined in Chapter II of the Consumer

<sup>21</sup> Available at <a href="http://www.legalinfo.gov.cn/zhuanti/content/2015-03/16/content\_6000717">http://www.legalinfo.gov.cn/zhuanti/content/2015-03/16/content\_6000717</a>. <a href="http://www.legalinfo.gov.cn/zhuanti/content/2015-03/16/content\_6000717">http://www.legalinfo.gov.cn/zhuanti/content/2015-03/16/content\_6000717</a>. <a href="http://www.legalinfo.gov.cn/zhuanti/content/2015-03/16/content\_6000717">http://www.legalinfo.gov.cn/zhuanti/content/2015-03/16/content\_6000717</a>.

<sup>22</sup> Available at <a href="http://politics.people.com.cn/n/2015/1103/c1001-27769673.html">http://politics.people.com.cn/n/2015/1103/c1001-27769673.html</a>.

<sup>23</sup> Published by Order of the General Directorate of Commercial and Industrial Management Services, No. 60 of 26 January 2014, to take effect from 15 March 2014.

<sup>24</sup> Published by Order of the General Directorate of Commercial and Industrial Management Services, No. 61 of 14 February 2014, to take effect from 15 March 2014.

<sup>25</sup> Published by Order of the General Directorate of Commercial and Industrial Management Services, No. 62 of 14 February 2014, to take effect from 15 March 2014.

<sup>26</sup> Published by Order of the General Directorate of Commercial and Industrial Management Services, No. 71, of 19 August 2014, to take effect from 1 October 2014.

<sup>27</sup> Published by Order of the General Directorate of Commercial and Industrial Management Services, No. 73, of 1 January 2015, to take effect from 15 March 2015.

Law (14 articles), with the following content: quality below legal standards (Art. 5), false advertising (Art. 6), fake brands (Art. 5), return without cause within seven days in cyber transactions (Art. 9), after-sales services (Art. 10), consumption by advanced payment (Art. 10), violation of consumers' personal data (Art. 11), unfair contractual clauses (Art. 12) and illegal acts of service operators (Art. 13), serving as a basis for the enforcement of the new Consumer Law by the administrative bodies. Features enhanced by the sanctioning measures can be summarized as follows: at the outset, its main content reflects the most pronounced problems as configured in complaints received from consumers since the entry into force of the new Consumer Law, problems which coincide precisely with the obstacles to the enforcement of the law. Thus, the General Directorate came to fulfil the legal duties using the powers conferred by the Act, enhancing the functionality in their implementation. In the second place, in many of the rules in the sanctioning measures an exemplary method is employed to densify the most credible cases of injury of consumer rights and interests in the provision of goods or provision of services by operators as a complement and enhancement of the content of the new Consumer Law providing grounds for the application of the provisions on sanctions contained therein. Thus, for example, Art. 6 lists openly acts of misleading advertising or inducing in error; Art. 9 indicates four types of "delaying tactics or forms of unjustified refusal" against the exercise of the consumer's right to return without cause within the cyber transactions; Art. 11, in addition to the discipline of the new Consumer Law, describes three forms of violation of consumers' personal data; Art. 12 openly lists the general contractual clauses contrary to the law; and Art. 16 clarifies the notion of "fraud" for the purposes of the punitive compensation system provided for in the new Consumer Law. Third, in strengthening the coactivity of the sanctioning measures, all sanctions, whether tort or not, are associated to it.

Along with the administrative enforcement, the courts also play an extremely important role in the defence of consumer rights. It should be noted in this regard that, by June 2015, there was a total of 199,000

lawsuits in the country, 179,000 of which completed the trial, verifying a remarkable increase in the winning rate on the part of the consumer.<sup>28</sup> The Supreme Court issued respectively on the 23 December 2013 and the 16 June 2015, a "judicial interpretation on the provisions relating to some problems in law enforcement in the prosecution of cases involving food or medicine" and 10 paradigmatic cases on the protection of consumer rights.<sup>29</sup> An analysis of the cases allows us to understand some aspects of the application of the new Consumer Law by the Chinese courts. First, in terms of geographical distribution, all 10 cases occurred in directly dependent municipalities of the Central Government or in coastal provinces and large cities, showing an imbalance in the territorial application of the new Consumer Law in Mainland China, meaning there is a need to strengthen sensitivity to consumer protection in smaller inner cities and rural areas. Secondly, it appears that the content of judicial protection orders are broadly identical to the administrative complaints, focusing on foodstuffs (including nutritional supplements and wines), communication products, home appliances, cars, jewellery and services. Third, cases basically reflect the new schemes introduced by the new Consumer Law, in particular with regard to reversing the burden of proof, punitive damages for commercial fraud, consumption in advance of payment, recall of defective products and cyber shopping. Fourth, the cases portray violations of basic consumer rights, which are highly representative, in particular, of the rights to safety,

<sup>28</sup> Available at http://www.npc.gov.cn/npc/xinwen/2015-11/03/content 1949930.htm.

<sup>29</sup> Available at <a href="http://www.court.gov.cn/zixun-xiangqing-14729.html">http://www.court.gov.cn/zixun-xiangqing-14729.html</a>; They are the cases: 1) Yin Chang Yi against the subsidiary of Wuhan Hanfu Supermarket Co. Ltd. in Hanyang, on a contract of sale; 2) Liu Xin against Shanxi Lixin Pharmacy, on a contract of sale; 3) Wang Xin against Xiaomi Technology Co. Ltd., on a contract of sale online; 4) Li Xiaodong against Jiuxian Platform Electronic Commerce Limited Company, on a contract of sale online; 5) Yang Bo against affiliate Bayan Nur He Zhongyuan Delivery Limited in Urad Front Banner, on a contract of sale online during the Chinese New Year; 6) Fan Jianwu against Guangdong cultural relics sales headquarters, on a contract of sale; 7) Yu Aoyong against the seller of Hua Liping products in a liability action; 8) Wang Yi against Luyou Products for Babies, Limited, on a contract for the provision of services; 9) Wu Jun against the Company for Trade and Investment of Suning Commerce of Zhejiang, Limited, on a contract of sale; and 10) Wang Yi against Tianjin Zhongjin Plenty Fame Automobile Service Co., Ltd., surrounding a purchase and sale agreement. It must be noted that to date the Supreme Court failed to publish any guiding case on the application of the new Consumer Law since its enactment.

health, fair trade, information and compensation. Fifth, it can be seen that other law was applied, not limited to the new Consumer Law, but also including other laws and regulations such as the Food Safety Law and Law of Contracts. In 2010, the Supreme Court began a case guiding scheme in order to standardize the interpretation and application of the law, having published 10 sets and a total of 52 guiding cases. Although, since the entry into force of the new Consumer Law, the Supreme Court has not published any guiding case of its application, the use of paradigmatic cases does have beneficial consequences for the standardization of trial parameters of the various courts and, also, the jurisprudential stance for the protection of consumers' legitimate rights.

### **COLLECTIVE ACTIONS**

On the 30 December 2014, the Zhejiang Consumers' Association brought an action before the Court against Shanghai Railway Transport, asking it to ban the Shanghai Railway Transport Services' imposition of the purchase of a new ticket to those who mislay the ticket purchased with a nominative title. The case represented the first collective action for the defence of consumer rights in the country brought by a consumer association since the entry into force of the new Consumer Law. Despite having obtained the support of the China Consumers' Association, the case came to be rejected in the 1st instance on the basis of non-fulfilment of procedural conditions provided in the Civil Procedure Act for collective action. The 2<sup>nd</sup> instance upheld the decision, which let the Association of Zhejiang Consumers to give up the action.<sup>31</sup> The case has aroused the attention of the judicial sector, generating discussion and leading pressure from society to impose on the Supreme Court the imminent publication of a judicial interpretation of the collective actions of consumers to regulate, in particular, the procedural assumptions and the burden of proof. On July 1 2015, the Shanghai Consumer Council brought a collective action to the 1<sup>st</sup> Section of the Intermediate People's

<sup>30</sup> Available at <a href="http://www.court.gov.cn">http://www.court.gov.cn</a>.

<sup>31</sup> For more information, <a href="http://jrzb.zjol.com.cn/html/2015-01/31/content\_2960094">http://jrzb.zjol.com.cn/html/2015-01/31/content\_2960094</a>. htm?div=-1.

Court of Shanghai based on Art. 47 of the new Consumer Law, against Tianjin Samsung Telecom Technology Co. Ltd., and GuangDong OPPO Mobile Telecommunications Corp. Ltd., on alleged injuries to information rights and free choice of consumers through the applications previously installed on mobile phones. The case became the first collective action on consumption judged by the Chinese courts, constituting a milestone and it turned out to fully realize the procedural order and not only did the two defendant companies settle the violating measures of the rights and interests of consumers, but other industry companies such as Apple, Sony and Huawei also declared that they were already adopting improvement measures. In this context, the Shanghai Consumer Council finally agreed to discontinue the proceedings and subsequently presented a number of legislative proposals to the Ministry of Industry and Data Processing.<sup>32</sup> In any case, given the size of the Chinese consumer market and the number of cases aimed at the defence of consumer rights, the existence of only one collective action in the presence of the new Consumer Law reveals the need for accumulation of more experience, more innovation and further training by consumer associations.

### CONCLUDING REMARKS

The new Consumer Law of China has given new rights to consumers and new responsibilities to operators. The sustainable and healthy development of any economy depends on having a good consumer environment as well as effective protection of legitimate rights and interests of consumers. Although in general it may be said that the new law has obtained positive results for more than a year, the truth is that it still has new challenges ahead. In our view, the latest review of the Consumer Law does not cease to hold shortcomings and room for improvement. In particular, the law still does not provide a clear concept of the consumer by providing in Art. 2 that "[T]he injury of rights and interests of consumers who, by virtue of

<sup>32</sup> The case was included as a success story of CI members, having been presented in the 20th International Reunion of *Consumers International*, which occurred in Brasília between the 18-20 November 2015.

needs arising from life, through purchase or use of products or acceptance of services are protected by this law." Now, although it has witnessed a remarkable awareness of the protection of the rights by the majority of consumers in comparison to the past, more and more "professional opportunists" are beginning to emerge to formulate claims for punitive damages. Considering the relative market disorder in the context of an economy in transition, should such "professional opportunists" deserve the same protection as is afforded to most consumers? On the other hand, should the consumer purchasing or using goods or accepting services by needs of another kind (such as the spirit hedonic consumption or consumption) be protected in the same way? Moreover, it must be said that China's consumer associations still have a certain gap at the level of operational mechanisms and institutional framework in the light of international standards. On the 2 November 2015, concerning the assessment of the implementation of the new Consumer Law report at the 17th Session of the Standing Committee of the 12th National People's Congress,33 the legislature came to note that certain content of its provisions was not still effectively "put into practice" and proposed the creation of the law implementing regulations by the State Council by the end of 2016. Thus, we have good reason to believe that with the successive accumulation of experiences in implementing the new law, the consumer protection regime in China will come to evolve towards perfection.

<sup>33</sup> Available at http://finance.sina.com.cn/sf/news/2015-11-05/11129500.html.